

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA**

**DOCKET NO. 2009-411-G**

In the Matter Of:	)	
	)	
Application of Piedmont Natural	)	<b>REQUEST FOR APPROVAL TO</b>
Gas Company, Inc. for Approval of	)	<b>CHANGE ALLOCATION OF ENERGY</b>
Energy Efficiency Programs	)	<b>EFFICIENCY PROGRAM FUNDS AND</b>
	)	<b>PROSPECTIVE REALLOCATION</b>
	)	<b>FLEXIBILITY</b>

Piedmont Natural Gas Company, Inc. ("Piedmont" or "Company"), through counsel and pursuant to S.C. Code § 58-37-20, respectfully requests approval of Public Service Commission of South Carolina ("Commission") to (1) revise the annual program funding allocations for the Company's currently approved Energy Efficiency Programs; and (2) allow the flexibility to reallocate up to \$15,000 among programs without submitting additional requests for approval to the Commission. In support of this request, Piedmont respectfully states as follows:

1. On May 27, 2010, the Commission issued Order No. 2010-390 ("May 27th Order"), which approved a settlement between Piedmont and the Office of Regulatory Staff ("ORS") adopting three Energy Efficiency Programs sponsored by Piedmont and offered to qualifying participants within Piedmont's South Carolina service territory. These programs are: (1) a Residential Low-Income Weatherization Program; (2) a High-Efficiency Equipment Rebate Program; and (3) a Customer Education Program.

2. The May 27th Order approved a Settlement Agreement dated January 27, 2010 between ORS and Piedmont. The Settlement Agreement authorized Piedmont to implement the Energy Efficiency Programs at a cost not to exceed total expenditures of \$350,000 per year as

experimental programs for a period of three years. The Settlement Agreement required Piedmont to notify ORS and the Commission before instituting any proposed changes, adjustment, or modifications to its Energy Efficiency programs.

3. The Settlement Agreement authorized Piedmont to annually expend up to (1) \$150,000 on its Residential Low Income Weatherization Program; (2) \$150,000 on its High Efficiency Equipment Rebate Program; and (3) \$50,000 on its Customer Education Program.

4. On January 18, 2011, the Commission issued Order No. 2011-52, which approved Piedmont's proposal to reallocate funding from program year 2010 of approximately \$25,000 of unspent funds from the Residential Low-Income Weatherization Program and approximately \$40,000 of unspent funds from the Customer Education Program, to the High-Efficiency Equipment Rebate Program. This reallocation brought the total program year 1 funding for the High-Efficiency Equipment Rebate Program to \$215,000.

5. On February 2, 2012, the Commission issued Order No. 2012-72, which approved a Piedmont proposal to reallocate funding from program year 2011 of approximately \$50,000 of unspent funds from the Residential Low-Income Weatherization Program and approximately \$38,000 of unspent funds from the Customer Education Program, to the High-Efficiency Equipment Rebate Program. This reallocation brought the total program year 2 funding for the High-Efficiency Equipment Rebate Program to \$238,000.

6. On March 1, 2013, the Commission issued Order No. 2013-113, which approved the extension of the EE Programs for an additional three years, and approved Piedmont's request to reallocate funding from program year 2012 of up to approximately \$50,000 of unspent funds in the Residential Low-Income Program and up to approximately \$35,000 of unspent funds in

the Customer Education Program to the High-Efficiency Equipment Rebate Program. This reallocation brought the total program year 3 funding for the High-Efficiency Equipment Rebate Program to \$235,000.

7. In the March 1, 2013 Order, the Commission also encouraged Piedmont “to investigate whether the funding allocation needs to be revised/and or whether the Residential Low-Income Weatherization Program and the Customer Education Program can be made more effective.” Over these years implementing the EE Program, Piedmont has gained an enhanced understanding of the required funding for each program. The program funding reallocations that Piedmont has previously sought and received Commission approval have enabled the Company’s High-Efficiency Equipment Rebate Program to operate efficiently and at a level that is consistently matched with customer interest in this program, since Piedmont must at all times maintain enough disburseable funds in the High-Efficiency Equipment Rebate Program to cover all qualifying rebate applicants received. Furthermore, it is the Company’s belief that the Residential Low-Income Weatherization Program and the Customer Education Program have been effective at the reallocated funding levels over these past several years. Accordingly, Piedmont requests approval to revise the allocation of funds among the three programs in a manner that is aligned with the average spending pattern for each EE program. Piedmont hopes that this effort may alleviate the need for Piedmont to annually request further reallocations of funds among the three programs. The following table provides the proposed annual funding amounts.

	<b>Proposed Annual Funding</b>
Customer Education Program	\$15,000
Residential Low-Income Program	\$115,000
High-Efficiency Equipment Rebate Program	\$220,000
<b>TOTAL</b>	<b>\$350,000</b>

8. As required by the Settlement Agreement and May 27th Order, Piedmont is requesting approval to revise the annual funding amounts for the Residential Low-Income Program, the Customer Education Program and the High-Efficiency Equipment Rebate Program. The program funding level changes would be effective for the current program year and subsequent years.

9. In addition, Piedmont requests the flexibility to reallocate up to \$15,000 per program to another program without separately requesting additional approval by the Commission. If the program reallocation needs exceed the proposed \$15,000 threshold, Piedmont shall request additional approval from the Commission.

10. Piedmont has discussed these proposals with the Office of Regulatory Staff (“ORS”). Based upon those discussions, ORS has no concerns with Piedmont’s proposals.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission approve Piedmont’s proposed change to the allocation of Energy Efficiency Program annual funding amounts as described herein and its request to allow the flexibility to

reallocate up to \$15,000 among the three programs without submitting to the Commission for approval.

Respectfully submitted, this the 28th day of March, 2014.

**PIEDMONT NATURAL GAS COMPANY, INC.**

s/ James H. Jeffries IV  
James H. Jeffries IV

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STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

**VERIFICATION**

Pia Powers, being duly sworn, deposes and says that she is Director - Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing documents and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

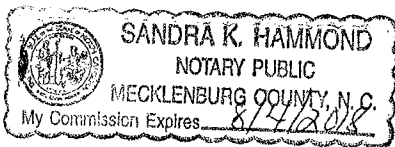
*Pia Powers*

Pia Powers

Mecklenburg County, North Carolina  
Signed and sworn to before me this day by Pia Powers

Date: March 27, 2014 Sandra K. Hammond  
Sandra K. Hammond, Notary Public

(Official Seal) My commission expires: August 4, 2018



## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached Request is being served this date electronically and via UPS Overnight upon:

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And that a copy of the attached Request is being served this date electronically or via U.S. Mail upon:

David Carpenter  
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This the 28th day of March, 2014.

s/ James H. Jeffries IV  
James H. Jeffries IV